



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDATITLE: Consider Notice of Cost to Grant Two Years Additional Service Credit Under Government Code Section 20903.

MEETING DATE: August 15, 2012

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Consider notice of cost to grant two years additional service credit Government Code Section 20903.

BACKGROUND INFORMATION: The CalPERS two-year additional service credit program, as established under California Government Code Section 20903, allows the City (as part of a budget reduction process) to offer a retirement incentive of two years service credit to employees. The current PERS contract allows the City, with Council approval, to offer the program to all employees.

The specific resolution would limit the two-year additional service credit incentive to the following classifications: Administrative Secretary (Fire), Electrical Technician (EUD), Parks Maintenance Worker III (PRCS), and Library Services Manager (Library).

The program requires that participating employees be at least 50 years of age, have five years of service credit with PERS, and retire within a specified period of time as identified by the City. The intended effect of offering this incentive is an overall reduction in the workforce.

Government Code Section 7507 requires that the costs to provide this benefit as stated in Attachment A be made public at a public meeting at least two weeks prior to the adoption of the resolution. This communication serves as that public notice.

As stated earlier, the cost of the program must be made public for a minimum of two weeks. At the September 19, 2012 Council meeting, staff will present the resolution adopting the two years service credit purchase for those employees who will be offered this retirement option.

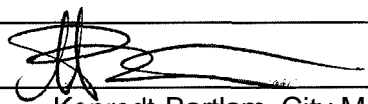
FISCAL IMPACT: The cost of this benefit will be amortized over 20 years and included in the City's CalPERS employer contribution rate beginning in FY 2013/2014.

FUNDING AVAILABLE: Not applicable.


Jordan Ayers, Deputy City Manager/Internal Services Director

Attachment

APPROVED:



Konradt Bartlam, City Manager

**TWO YEARS ADDITIONAL SERVICE CREDIT
Section 20903**

ATTACHMENT A

Estimated Employer Cost

Classification	Name	Annual Pay Rate	Cost Factor	PRSA* Yes or No	No PRSA	COLA 3%, 4%, 5%	Additional Employer Contributions
Administrative Secretary	Linda Hoover	\$ 49,800.81	0.56	Yes		No	\$ 27,888.45
Electrical Technician	Nestor Ty	\$ 84,793.28	0.47	Yes		No	\$ 39,852.84
Parks Maintenance Worker III	Dan Tarnasky	\$ 46,313.70	0.56	Yes		No	\$ 25,935.67
Library Services Manager	Andrea Woodruff	\$ 78,899.45	0.53	Yes		No	\$ 41,816.71
Cost:							\$ 168,200.79

Salary Savings: \$ 329,396.85

*PRSA - Post Retirement Survivor Allowance

Estimated Increase in Employer Contribution: 0.00062263
(Based on \$20,403,755 annual payroll for Misc. & Fire)

Actual Annual Cost: \$ 12,498.89

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Electrical Technician	Nestor Ty	\$ 84,793.28	0.47	Yes		No	\$ 39,852.84
Parks Maintenance Worker III	Dan Tarnasky	\$ 48,629.39	0.56	Yes		No	\$ 27,232.46
Parks Maintenance Worker III	Pete Melendez	\$ 48,629.39	0.47	Yes		No	\$ 22,855.81
Library Services Manager	Andrea Woodruff	\$ 78,899.45	0.53	Yes		No	\$ 41,816.71

cost: \$ 192,353.39

Salary Savings: \$ 380,341.93

*PRSA - Post Retirement Survivor Allowance

Estimated Increase in Employer Contribution: 0.000712036
(Based on \$20,403,755 annual payroll for Misc. & Fire)

Actual Annual Cost: \$ 14,257.38